

Sessing



2008

THE YEAR *of*
ANNUAL REPORT
THE SENIOR





2008 | THE YEAR of THE SENIOR

SENIORS WHO INSPIRE US

In August 2007, we began planning for our Aging at Home initiative, a \$31 million, three-year plan dedicated to supporting seniors' independence and health, particularly as it allows them to continue living at home. Our intense focus in producing the plan, combined with community-wide optimism for its impact on seniors' health care, led us to declaring 2007/08 "The Year of the Senior".

While engaging seniors, caregivers and health care professionals during planning for our Aging at Home initiative, it became very clear that we needed to change the perception of aging and what it means to be independent.

The 2007/08 Annual Report features personal stories of local seniors and shares their experience of what it means to be a senior in the 21st century. We hope their examples will provide inspiration for families, friends and neighbours who care for seniors in their communities.

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MESSAGE FROM THE CHAIR & THE CHIEF EXECUTIVE OFFICER

Fiscal 2007/08 marks the end of a year of firsts for the Erie St. Clair Local Health Integration Network (LHIN).

Although this is the third Annual Report released by the LHIN, it is the first that accounts for our full-funding authority – \$874 million in health care spending for Chatham-Kent, Sarnia/Lambton and Windsor/Essex. It is the first year in which a local Board has had the responsibility of making patient-focused health care decisions and allocating health care spending with real effects on all of us in Erie St. Clair. It is also the first time in history that the Ontario health care system has been nimble enough to respond to local health care pressures with immediate action.

During the past year, many initiatives have been undertaken, each being important in reconfiguring our health care system to its new focus on local needs. These include:

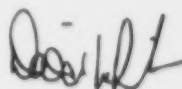
- the creation of several planning networks and teams responsible for managing each of the strategic integration directions of the Integrated Health Service Plan
- the successful completion of negotiations with area hospitals which resulted in the signing of 2008/09 - 2009/10 Hospital Service Accountability Agreements
- the lowering of wait times for surgeries to treat cancers, hips and knees, and for CT scans; we already have Ontario's lowest wait times for cataract surgeries
- the first-ever funding re-allocation process, involving the diversion of surplus funds from across the system to address urgent needs, such as "alternate level of care" pressures

- providing guidance for the integration of agencies who will now be able to provide higher-quality, sustainable health care services
- the completion of the Detailed Plan for our Aging at Home initiative

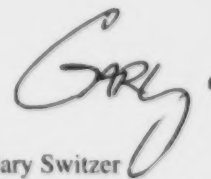
Of these accomplishments, we are most proud of and excited about our Aging at Home initiative. The staff of the LHIN, in collaboration with an extensive body of volunteers from our community and health service providers, created a three-year plan that will improve the health and independence of seniors in Erie St. Clair. This initiative will invest \$31 million into new and existing programs for seniors, beginning in the 2008/09 fiscal year.

It is for this reason we are calling 2007/08 "The Year of the Senior" – the year in which LHINs, the Province of Ontario, and our community partners acknowledged that community-based services are important in the lives of seniors.

The annual report gives us the opportunity to reflect on our accomplishments – a year of firsts and a year during which seniors were the central focus in transforming our local health care system. We are excited about the work to come in 2008/09 as we continue to build on our progress.



David Wright
Acting Chair



Gary Switzer
Chief Executive Officer

INTRODUCTION & PROFILE OF THE LHIN

The Erie St. Clair Local Health Integration Network (LHIN) is one of 14 LHINs across Ontario. Like all LHINs, we are a community-based, not-for-profit organization funded by the Ministry of Health and Long-Term Care (MOHLTC). We are mandated to plan, fund and coordinate \$874 million in health care services annually. Here, as elsewhere in Ontario, LHIN-funded services are delivered by:

- hospitals
- long-term care homes
- Community Care Access Centres (CCACs)
- community support service agencies
- mental health and addiction agencies
- Community Health Centres (CHCs)

The health care delivered in Erie St. Clair is planned locally, and is based on the input and participation of local communities in order to meet specific local needs. It is guided by a Board of local decision makers.

Our Role in Health Care

The 2007/08 fiscal year was also a milestone for the provincial LHINs as we began our legislated mandate to fund and coordinate health care under the *Local Health System Integration Act (LHSIA)*, 2006. The Act provides the LHINs with the authority to fund health service providers and to implement our Integrated Health Service Plan (IHSP). Our Annual Report accounts for these activities as well as other requirements under the LHSIA and Ministry-LHIN Accountability Agreement (MLAA).

Population Profile (Based on 2006 Census Data)

Community	Population	Largest Urban Centre	Profile	
Windsor/Essex	408,000	Windsor	Francophone	3%
			Immigrants	4%
			Seniors	13%
			Aboriginals	2%
Chatham-Kent	110,000	Chatham	Francophone	3%
			Immigrants	1%
			Seniors	14%
			Aboriginals	3%
Sarnia/Lambton	132,000	Sarnia	Francophone	2%
			Immigrants	1%
			Seniors	16%
			Aboriginals	5%

Looking at their **busy lives**, you wouldn't guess that Buss is 83 and Ethel is 79. Still **personally** running the family **gas station** and managing a farm and a barnful of **horses**, not to mention a **whirlwind** social schedule, there's no stopping this **enthusiastic** couple.



SERVICE AREA



The Erie St. Clair LHIN serves Chatham-Kent, Sarnia/Lambton and Windsor/Essex, an area with a population of approximately 650,000 people. Although these regions are independent, each with unique qualities, they also share many commonalities.

The Erie St. Clair region is surrounded by the Great Lakes. The area's urban-rural mix is economically dependant, in large part, upon the agricultural, petro-chemical, and automotive industries. Our American neighbours not only influence our economy and trade, but also impact our use and perception of health care.

Of the total LHIN population, approximately 2%, or 14,890 individuals, self-identify as Aboriginal, with the highest proportion residing in Sarnia/Lambton.

Note: not all First Nation communities participated on the 2006 Aboriginal census process. As a result, exact percentages and figures are not available.

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Buss and Ethel Brown



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Tom is the President
of his residence council
and runs bingos
every week. He still has
his license and
owns his own vehicle.
As a diabetic, he
knows the importance of
good nutrition and
maintains a structured
meal plan by choice.

POPULATION HEALTH PROFILE

Erie St. Clair's health status differs in significant ways from provincial averages:

- a higher proportion of seniors, specifically in the 85+ cohort
- a high unemployment rate that increases poverty levels, social isolation and family disruption
- a significantly higher incidence of overweight/obese individuals
- a slightly higher proportion of individuals who practice poor lifestyle habits including smoking, binge drinking, poor nutrition, and physical inactivity
- a significantly higher prevalence of arthritis/rheumatism and heart disease
- a slightly higher rate of chronic conditions such as asthma, diabetes, and high blood pressure
- a significantly higher rate of hospitalization, of potential years of life lost, and of mortality due to higher rates of neoplasm, circulatory disease, and external causes

INTEGRATED HEALTH SERVICE PLAN

The Integrated Health Service Plan (IHSP) is the Erie St. Clair LHIN's guiding document. It provides the foundational direction for our local health care system's transformation. The three-year plan was approved by the LHIN Board of Directors in November 2006 and implementation began in the 2007/08 fiscal year. The IHSP was developed to accomplish the following health care goals:

- increased quality of care throughout the patient experience
- increased access to services
- increased cost effectiveness of service delivery
- improved understanding of how service changes impact the health care system

Eight Strategic Integration Directions

After assessing the current state of our local health care system and the characteristics of the population, the LHIN identified eight strategic integration directions to address the above-stated goals. They are:

1. chronic disease management
2. reduced dependence on hospital-based services
3. supporting people at home
4. health promotion & illness prevention
5. system navigation
6. back office/administrative integration
7. timely access to appropriate care and services
8. health human resources

The IHSP's direction was implemented through the following initiatives:

- the development of a planning-team model
- the launch of a LHIN-wide Chronic Disease Management Integration Leadership Team
- the launch of a LHIN-wide Diabetes Project Team
- the launch of a LHIN-wide Emergency Department/Medical Programs Network
- the launch of a LHIN-wide Mental Health & Addictions Network
- the support of the primary-care CHC steering committee
- the support of the LHIN Critical-Care Lead and Emergency Room Lead initiatives
- the support of the province-wide 'Flo' Collaborative in Essex and Lambton Counties
- the creation of linkages between the IHSP and our Aging at Home initiative

COMMUNITY ENGAGEMENT

The Erie St. Clair LHIN is reporting on important results from our work with the community and stakeholders. This data creates a foundation on which the LHIN can determine future community engagement and collaborative planning. *Please refer to the chart on page six.*

The results of our community engagement efforts are widely seen in the year's progress. Our Aging at Home Detailed Plan demonstrates the process's full effect. It was created in consultation with 967 individuals from across our LHIN, who helped us determine our plan's content and its allocation of resources. We can proudly say that our Aging at Home Detailed Plan is a collaborative document that addresses our specific and local needs.

The Community Engagement Activity Chart also demonstrates how a philosophy of community engagement has been fundamental to many aspects of the LHIN's operations and governance. Our community engagement activities have focused on educating the public about the LHIN, increasing the community's knowledge and understanding of our local health care

ABORIGINAL HEALTH

The Erie St. Clair LHIN is home to five First Nations communities. Three are located in Lambton County – Bkejwanong Territory (Walpole Island), Chippewas of Kettle and Stony Point, and Aamjiwnaang First Nation. Two communities – Delaware Nation (Moravian Town) and Caldwell First Nation – are located in Chatham-Kent. Métis people also reside in communities throughout Erie St. Clair. It is important that we gain a deeper understanding of the unique health care needs of our area's Aboriginal peoples – an important LHIN goal for the upcoming year.

system, and providing information on how to access the LHIN and its health service providers.

During our community engagement sessions with local residents, we heard everything from concerns to kudos about local health care. The following are some of the themes that were voiced:

- system navigation is an issue because residents have challenges finding services they need
- transportation is a concern, especially in rural communities
- access to primary care continues to be an issue
- appreciation of being able to express their concerns

Our website is one of the most effective tools for reaching our health service providers, stakeholders and the community at large. The website underwent a complete revision to improve ease of use, accessibility, transparency of information, and tools that promote greater user interaction.

Aboriginal Engagement

The Erie St. Clair LHIN received \$20,000 in base funding for the purposes of engaging Aboriginal peoples.

continued on page 7

COMMUNITY ENGAGEMENT ACTIVITY CHART

	Total Participants	Physical	Virtual	Media Releases Web Site	PSA*	Direct Mail	E-mail	Fax	Posters	Newsletter
GOVERNANCE										
3 Public Board Meetings	160	X		X	X	X	X	X	X	X
9 Open Board Meetings	42	X		X			X			X
9 Governance Advisory Council Meetings	175	X		X			X			
PLANNING & INTEGRATION										
1 End of Life Survey	165		X	X			X			
6 Planning Networks and Teams	71	X		X			X			X
AGING AT HOME										
1 Survey	647	X	X	X	X	X	X	X		X
15 Focus Groups	188	X			X	X				
10 Planning Groups	132	X					X			
53 Pre-Proposal Submissions	53	X	X	X			X			
1 Aging at Home Innovations Exchange Event	36	X	X	X			X	X		
1 Aging at Home Innovations Expo	500	X		X	X		X	X	X	
OTHER										
1 On-location Radio Call-in Show – Health Care: Today & Tomorrow	24,000	X					X			
1 ESC LHIN Web Site	22,120		X	X	X	X	X	X	X	X
1 "My Page" Web Site Tool Campaign	100	X	X			X				
1 "HSP Tools" Web Site Campaign	120		X	X			X			X
129 Contacts Through Media Activity	100,000+	X			X	X	X	X	X	
1 Seniors Wanted Campaign	115	X				X	X	X	X	
1 StratiCare '08 Initiative	232	X	X	X	X		X	X		X
68 H-SIP Funding Requests	99	X	X	X		X	X	X		X
1 Urgent Priorities Funding Initiative	325		X	X	X		X	X		

*Public Service Announcement

continued from page 5

An Aboriginal consultation and engagement gathering was jointly held with the South West LHIN. The session focused on building relationships with First Nations and Métis community leaders in order to promote enhanced health care system cooperation and coordination.

Other initiatives included:

- presentations to First Nation Councils
- community engagement opportunities
- meetings with First Nations Health Centre staff to examine health care needs and to provide information on the LHIN

Aboriginal representation participated in LHIN planning networks.

Francophone Engagement

Engagement of the Francophone population continues to be a part of LHIN planning initiatives. Through our Aging at Home initiative, a Francophone focus group was held to gather information on senior and caregiver needs. An on-site survey of Francophones, and of the general population, was conducted during a flu shot clinic at Place Concorde, in Windsor. In addition, we have included more information and better navigation tools on our French website, with plans to increase content and functionality during the coming year.

Governance

We have established a continuing series of governance-to-governance meetings in each of our three regions. These cross-sectoral sessions provide an opportunity for the Chairs of our health service providers to meet with one another to discuss common challenges of governance, strategic planning and integration initiatives. The Governance Advisory Councils, which are sponsored, supported, and led by the LHIN and its Chair, show real promise in creating a true system of health care for the approximately 650,000 owners of the Erie St. Clair health care system.

The Board has established the following committees that meet on a regular basis:

- Audit Committee*
- Nominating Committee*
- Governance Committee

**As required under the Memorandum of Understanding.*



2008 | THE YEAR of THE SENIOR

Mildred is still
painting beautiful
pictures at 91 years
of age – no surprise since
she was taught by
members of Canada's
famed Group of
Seven. She keeps fit,
too, always walking
to and from activities, or
just for exercise.

INTEGRATION ACTIVITIES

The Erie St. Clair LHIN assisted in two facilitated integration decisions. They were:

1. St. Andrew's Residence, Chatham Inc. and Meals on Wheels (Chatham) Inc. – a voluntary merger of meal delivery services into the operations of St. Andrew's Residence.
2. Lambton Elderly Outreach Inc. and Sarnia and District Senior Volunteer Community Services – a voluntary amalgamation of two previously separate organizations in Lambton County.

Performance Targets

Wait times for health care services, under the provincial strategy, continued to be a focus of the Erie St. Clair LHIN in 2007/08. The program has progressed under the leadership of the Wait Times Steering Committee – a committee of health care professionals with a system-wide perspective on the Wait Time Strategy.

The Erie St. Clair LHIN outperformed provincial wait time targets for cancer and cataract surgeries and made dramatic improvements in wait times for knee replacement surgery. There is still opportunity for

improvement toward provincial wait time targets for hip replacement surgery and CT scans.

Major improvement is still needed in reducing wait times for MRI Scans, owing largely to difficulties in locating qualified MRI Technologists. To minimize this risk for the future, area hospitals have developed "Grow Your Own" MRI Technologist programs that train in-house Radiology Technologists through a partnership with the Michener Institute for Applied Health Sciences in Toronto.

Under the Wait Time Strategy, the LHIN received one-time funding of \$7,625,600 for additional diagnostic hours and surgeries. We also completed in-year re-allocations of wait time procedures within our LHIN and across provincial LHINs. This translated into 250 additional CT hours and 90 additional hip and knee replacement surgeries.

Wait times have also been reduced with the use of education & innovation funds to improve the quality of the wait time data, and to focus on patients who have waited 300 days or more.

OPERATIONAL PERFORMANCE

In this first year of full authority, the LHIN began directly funding the 99 health service providers in Erie St. Clair that fall under our mandate. This funding is detailed in the statement of financial activities (*see page 15*).

The fiscal year was completed with an operational surplus due to savings in governance, travel, and benefit costs. These funds are repayable to the MOHLTC and acknowledged within the notes to the financial statements. The LHIN received additional funding from the MOHLTC for specific projects including the development of our Aging at Home initiative, the continuation of the Erie St. Clair e-Health Strategy, and for the hiring of our Emergency Department Lead.

Three individuals were named as representatives for the Erie St. Clair LHIN in key areas as directed by the MOHLTC. Dr. Eli Malus assumed the role of the Critical Care Lead, Dr. David Ng assumed the role of the Emergency Department Lead, and Sharon Pfaff, Chief Executive Officer of the Consolidated Health Information Services (CHIS), continued to represent the LHIN in e-Health initiatives.

SPECIAL INITIATIVES

Aging at Home

The vision of our Aging at Home plan is expressed in its title, "Your Home, Your Care, Your Choice" and is rooted in the following goals:

- improving seniors' access to supportive community services
- informing and guiding seniors and their caregivers in locating the right service at the right time
- helping seniors live independently and with dignity
- increasing options for seniors seeking care

Our Aging at Home Strategy was developed in two phases with the support of a network of community and health care representatives – the Aging at Home Network – and input from various community engagement activities. Phase I – drafting the Directional Plan, provided a basis for developing the Detailed Plan.

In this *initial* phase, our Directional Plan identified five key planning areas:

1. transportation services
2. nutritional improvements and meal services
3. end-of-life care services
4. enhanced localized home support/care
5. improved access to assistive devices

The goal of the *second* phase was the development of the Detailed Plan, and specifically, the identification of services to be funded with the \$3.9 million year-one allocation. The resulting allocation proposal includes:

- \$403,200 for transportation-related initiatives, including funding for new vehicles
- \$460,427 for the expansion of meals delivery services and nutrition initiatives
- \$900,120 for home-care initiatives
- \$847,000 for end-of-life collaborative care and education initiatives
- \$466,700 for assistive devices initiatives
- \$440,000 for comprehensive-care, multidisciplinary teams to service the elderly
- \$336,900 for H-SIP-identified seniors' programs.

Urgent Priorities Fund

The Erie St. Clair LHIN received an allocation of \$1.4 million from the MOHLTC to be directed, at the discretion of the LHIN, toward urgent priorities. A total of 11 programs were approved as one-time expenditures. The funding allocations were:

1. Alternate Level of Care (ALC) – \$400,000 to provide options for ALC patients in Essex and Lambton Counties through the addition of hospital beds and expanded community-based care.
2. Salvation Army (Windsor) Substance Abuse Program – \$50,000 to maintain the substance abuse treatment program in Windsor after withdrawal of municipal funding.
3. Ridgetown Meals on Wheels – \$5,000 to expand meal volumes.



2008 |

THE YEAR
IN REVIEW

Sheldon is a... the

HESI to serve a... the

walking club and the... the

To finish... the... the

JOY in helping others

By distributing... the... the

House... the... the

Healthy... the... the

Asking... the... the

Living well... the... the

In his... the... the



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THE SENIOR

At 91,
Mary remains
as busy as ever.
In just one month, she
participated
in over 100
recreational
programs. If there's a
bus trip planned,
chances are she'll
be on it.

4. Mental Health Consumer/Survivor Employment Association of Essex County (Ten Friends Diner) – \$30,000 for urgent internal operational requirements.
5. St. Andrew's Residence, Chatham Inc. – \$26,213 to cover equipment and staff costs resulting from the integration with Meals on Wheels (Chatham) Inc.
6. StrategiCare '08 – \$457,000 to examine the current state of hospital services in Windsor/Essex and determine the future alignment, given the changing context of the population's health services needs.
7. Essex County Community Health Centre Review – \$100,000 to review the current state of the Essex County Community Health Centres and determine the future alignment of the organizations and their services to meet Windsor and Essex County's needs.
8. Leamington District Memorial Hospital Inpatient Case Management – \$80,000 for an Alternate Level of Care pilot project for the reduced use of hospital services for patients with Congestive Heart Failure and Chronic Obstructive Pulmonary Disease.
9. The e-Health Collaborative – \$80,000 to enable a group of eight health care providers to upgrade and standardize information technology within an overall Erie St. Clair e-Health Network.
10. Mental Health Sector Analysis – \$137,339 to examine the current state of the mental health sector in Erie St. Clair, to develop recommendations for the future.
11. Wait Times Data Staff – \$50,000 for staffing costs to improve wait time data collection and improved data quality.

EMERGENCY DEPARTMENT ACTION PLAN

As part of the provincial Emergency Department Action Plan, the Erie St. Clair LHIN received \$1.7 million to support a comprehensive stabilization and strengthening of emergency room services. The following initiatives were funded:

1. Erie St. Clair Community Care Access Centre – \$824,000 for acute home care, and an additional \$115,700 for the hiring of Emergency Department Case Managers to assist in the effective triaging and discharging of elderly patients.
2. Windsor Regional Hospital – \$126,300 for the expansion of the Geriatric Emergency Management Nursing program.
3. Windsor Regional Hospital – \$285,400 for a quick-response Geriatric Team to support emergency departments and long-term care homes in Windsor/Essex. Health service providers included: Leamington District Memorial Hospital, Hôtel-Dieu Grace Hospital, Windsor Regional Hospital, Erie St. Clair Community Care Access Centre and the Canadian Mental Health Association - Windsor-Essex County Branch.

4. North Lambton Community Health Centre (CHC)
- \$190,000 for a satellite CHC in Watford to deliver primary care. The satellite CHC reduces the area's dependency on emergency departments after the departure of the area's only two family physicians.

RE-ALLOCATIONS

In-year re-allocations are a function of the funding authority of the LHIN in which surplus funds from one

local health service provider can be used to offset the financial pressures of another provider on a one-time basis.

In the fourth quarter of fiscal 2007/08, an excess of \$1.7 million was identified as surplus from various health service providers, and our Board of Directors approved a re-allocation of the surplus between sectors. In-year re-allocations are an important tool for addressing local pressures; they demonstrate one of the key benefits of integrated health care.

ABOUT THE SENIORS FEATURED IN THIS REPORT

In the spring of 2008, we decided to make seniors the theme of our annual report, to raise awareness of our Aging at Home initiative. We sent requests to agencies throughout the LHIN, asking our colleagues and agency partners to recommend seniors who personified the ideals of the program: independence, health, vigour, involvement and, above all, enthusiasm for living a fully engaged life.

We had hoped to receive a handful of nominees. To our delight, we were given the names of dozens of exuberant seniors in ages ranging from their sixties to their nineties. All of the seniors are living their advanced years to the fullest.

Space limitations restricted the number we were able to feature in these pages, but we were pleased to include their portraits on the cover and the front page. We thank them all for their interest and readiness to participate – a reflection of the spirit and energy that keeps them young and by which they set an admirable example for us all.



The names of the seniors who appear in the margins of the report are provided in the write-ups. The others are:

Above:
Johana & Nigel Hedgecock, LaSalle









Front cover, from the top:
Charlie Gray, Sarnia
Lois Stuart, Forest
Henry Epp, Leamington
James Maynard, Chatham
Agatha Neufeld, Leamington

Inside Front Cover:
Left to right from the top
Henry & Irma Janzen, Leamington
Gloria Mervin, Blenheim

Lloyd Doey, Chatham
Margaret Falconer, Sarnia
Barbara McMillan, Blenheim
Peter Hensel, Dover Centre
Rachel Hahn, Windsor
Margaret and Alex Gyemi, Windsor
Mary Scott, Grand Bend
Jean McCarron, Amherstburg
Albert Ytsma, Chatham
Eileen Ethier, Windsor
Frank Talbourdet, Blenheim
Thelma Saar and Hope Ross, Sarnia
Hans Stadus, Sarnia
Bob Eskritt, Ridgeway
Edith Turner, Forest
Ruth Dunlop, Grand Bend

BOARD APPOINTEES

The following is a list of Directors, active or appointed in 2007/08:

DIRECTOR	POSITION	LOCATION	TERM
	David Wright Vice Chair (Acting Chair) (Aug. 16/06)	Forest	June 1/05 - May 31/08 (Director) May 17/06 - May 31/08 (Vice Chair)
	Michael Hurry Director/Member (Acting Vice Chair) (Aug 16/06)	Sarnia	January 5/06 - February 4/07 February 5/07 - February 2/10 (Re-appointment)
	Leland J. Martin Director/Member Secretary	Petrolia	January 5/06 - January 4/08 January 5/08 - January 4/11 (Re-appointment)
	Douglas Cozad Director/Member	Windsor	May 17/06 - June 16/07 June 17/07 - June 16/10 (Re-appointment)
	Gary Parent Director/Member	LaSalle	May 17/06 - May 16/08
	Howard Pawley Director/Member	Windsor	May 17/06 - June 16/07 Amended June 17/07 - June 16/10 (Re-appointment)
	Renée Moison Director/Member	Morpeth	September 20/06 - September 19/09
	Lynn McGeachy Schultz Director/Member	Chatham	January 10/08 - January 9/11

FINANCIAL STATEMENTS

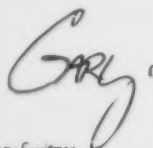
MANAGEMENT RESPONSIBILITY REPORT

The management of the Erie St. Clair Local Health Integration Network (LHIN) is responsible for preparing the accompanying financial statements in conformity with generally accepted accounting principles. In preparing these financial statements, management selects appropriate accounting policies and uses its judgement and best estimates to report events and transactions as they occur. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Financial data included throughout this Annual Report is prepared on a basis consistent with that of the financial statements.

The LHIN maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded and that transactions are executed and recorded in accordance with the LHIN's policies for doing business.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control, and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Committee meets approximately four times annually to review audited and unaudited financial information. Deloitte & Touche LLP has full and free access to the Audit Committee.

Management acknowledges its responsibility to provide financial information that is representative of the LHIN's operations, is consistent and reliable, and is relevant for the informed evaluation of the LHIN's activities.



Gary Switzer
Chief Executive Officer



Matthew Little, CMA
Controller & Business Support Manager

May 2, 2008

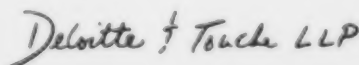
AUDITORS' REPORT

To the Members of the Board of Directors of the Erie St. Clair Local Health Integration Network

We have audited the statement of financial position of the Erie St. Clair Local Health Integration Network (the "LHIN") as at March 31, 2008, and the statements of financial activities, changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the LHIN's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Erie St. Clair Local Health Integration Network as at March 31, 2008 and the results of its operations, its changes in its net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants,
Licensed Public Accountants
Toronto, Ontario
May 2, 2008



2008 | THE YEAR OF THE SENIOR

Gwen volunteers

in the community, walks

everyday and

works out regularly.

A few years ago, at

70, she climbed Mount

Kilimanjaro in

Tanzania and continues

to make exotic travel

plans. She is an

inspiration

to us all.

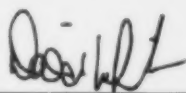
ERIE ST. CLAIR LOCAL HEALTH INTEGRATION NETWORK

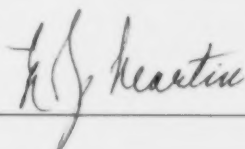
Statement of financial position

AS AT MARCH 31, 2008

	2008	2007
	\$	\$
Financial assets		
Cash	616,133	403,697
Due from the Ministry of Health and Long-Term Care ("MOHLTC")	1,179,730	-
Accounts receivable	8,005	-
	1,803,868	403,697
Liabilities		
Accounts payable and accrued liabilities	477,043	348,053
Due to the MOHLTC (Note 10b)	135,251	-
Due to Health Service Providers ("HSPs")	1,179,730	-
Due to the LHIN Shared Services Office (Note 3)	11,844	55,644
Deferred capital contributions (Note 4)	427,239	614,673
	2,231,107	1,018,370
Commitments (Note 13)		
Net debt	(427,239)	(614,673)
Non-financial assets		
Capital assets (Note 5)	427,239	614,673
Accumulated surplus	-	-

Approved by the Board

 Director

 Director

ERIE ST. CLAIR LOCAL HEALTH INTEGRATION NETWORK

Statement of financial activities

YEAR ENDED MARCH 31, 2008

		2008	2007
	Budget (unaudited) (Note 6)	Actual	Actual
	\$	\$	\$
Revenue			
MOHLTC funding			
HSP transfer payments (Note 7)	860,547,900	873,928,871	-
Operations of LHIN	3,437,611	3,506,974	3,085,664
E-Health (Note 9a)	-	275,000	151,000
Aging at Home (Note 9b)	-	187,000	-
Emergency Department Lead (Note 9c)	-	37,500	-
Amortization of deferred capital contributions (Note 4)	205,404	208,071	199,735
	864,190,915	878,143,416	3,436,399
Expenses			
Transfer payments to HSPs (Note 7)	860,547,900	873,928,871	-
General and administrative (Note 8)	3,643,015	3,583,533	3,285,399
E-Health (Note 9a)	-	275,000	151,000
Aging at Home (Note 9b)	-	183,261	-
Emergency Department Lead (Note 9c)	-	37,500	-
	864,190,915	878,008,165	3,436,399
Annual surplus before funding repayable to the MOHLTC	-	135,251	-
Funding repayable to the MOHLTC (Note 10a)	-	(135,251)	-
Annual surplus	-	-	-
Opening accumulated surplus	-	-	-
Closing accumulated surplus	-	-	-

Statement of changes in net debt

YEAR ENDED MARCH 31, 2008

	2008	2007
	\$	\$
Annual surplus	-	-
Acquisition of capital assets	(20,637)	(21,593)
Amortization of capital assets	208,071	199,735
Decrease in net debt	187,434	178,142
Opening net debt	(614,673)	(792,815)
Closing net debt	(427,239)	(614,673)

Statement of cash flows

YEAR ENDED MARCH 31, 2008

	2008	2007
	\$	\$
Operating		
Annual surplus	-	-
Less items not affecting cash		
Amortization of capital assets	208,071	199,735
Amortization of deferred capital contributions (Note 4)	(208,071)	(199,735)
Changes in non-cash operating items		
Increase in accounts receivable	(8,005)	-
Increase in due from MOHLTC	(1,179,730)	-
Decrease in due to MOHLTC	-	(28,842)
Decrease in due to LHIN Shared Services Office	(43,800)	-
Increase in due to LHIN Shared Services Office	-	55,644
Increase in due to HSPs	1,179,730	-
Increase in accounts payable and accrued liabilities	128,990	348,053
Increase in due to MOHLTC	135,251	-
	212,436	374,855
Capital transactions		
Acquisition of capital assets	(20,637)	(21,593)
Financing transactions		
Increase in deferred capital contributions (Note 4)	20,637	21,593
Net increase in cash	212,436	374,855
Cash, beginning of year	403,697	28,842
Cash, end of year	616,133	403,697

Notes to the financial statements

March 31, 2008

1. DESCRIPTION OF BUSINESS

The Erie St. Clair Local Health Integration Network was incorporated by Letters Patent on June 2, 2005, as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the Erie St. Clair Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The LHIN has also entered into an Accountability Agreement with the Ministry of Health and Long Term Care ("MOHLTC"), which provides the framework for LHIN accountabilities and activities.

Commencing April 1, 2007, all funding payments to LHIN managed health service providers in the LHIN geographic area, have flowed through the LHIN's financial statements. Funding allocations from the MOHLTC are reflected as revenue and an equal amount of transfer payments to authorized Health Service Providers ("HSP") are expensed in the LHIN's financial statements for the year ended March 31, 2008.

The mandates of the LHIN are to plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the Municipalities of Essex, Lambton and Chatham-Kent. The LHIN enters into service accountability agreements with service providers.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA") and, where applicable, the recommendations of the Accounting Standards Board ("AcSB") of the CICA as interpreted by the Province of Ontario. Significant accounting policies adopted by the LHIN are as follows:

BASIS OF ACCOUNTING

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the fiscal year that the events giving rise to the revenues occur and they are earned and measurable; expenses are recognized in the fiscal year that the events giving rise to the expenses are incurred, resources are consumed, and they are measurable.

Through the accrual basis of accounting, expenses include non-cash items, such as the amortization of capital assets and losses in the value of assets.

MINISTRY OF HEALTH AND LONG-TERM CARE FUNDING

The LHIN is funded solely by the Province of Ontario in accordance with the Ministry LHIN Accountability Agreement ("MLAA"), which describes budget arrangements established by the MOHLTC. These financial statements reflect agreed funding arrangements approved by the MOHLTC. The LHIN cannot authorize an amount in excess of the budget allocation set by the MOHLTC.



2008 | THE YEAR
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The LHIN assumed responsibility to authorize transfer payments to HSPs, effective April 1, 2007. The transfer payment amount is based on provisions associated with the respective HSP Accountability Agreement with the LHIN. Throughout the fiscal year, the LHIN authorizes and notifies the MOHLTC of the transfer payment amount; the MOHLTC, in turn, transfers the amount directly to the HSP. The cash associated with the transfer payment does not flow through the LHIN bank account. The LHIN statements do not include any Ministry managed programs.

GOVERNMENT TRANSFER PAYMENTS

Government transfer payments from the MOHLTC are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and reasonable estimates of the amount can be made.

Certain amounts, including transfer payments from the MOHLTC, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed. Un-spent amounts are recorded as payable to the MOHLTC at period end. In addition, certain amounts received are used to pay expenses for which the related services have yet to be performed.

DEFERRED CAPITAL CONTRIBUTIONS

Any amounts received that are used to fund expenses that are recorded as capital assets, are recorded as deferred capital contributions and are recognized over the useful life of the asset reflective of the provision of its services. The amount recorded under "revenue" in the statement of financial activities, is in accordance with the amortization policy applied to the related capital asset recorded.

CASH

Cash includes cash on hand and balances with banks, net of bank overdrafts.

CAPITAL ASSETS

Capital assets are recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of capital assets. The cost of capital assets contributed is recorded at the estimated fair value on the date of contribution. Fair value of contributed capital assets is estimated using the cost of asset or, where more appropriate, market or appraisal values. Where an estimate of fair value cannot be made, the capital asset would be recognized at nominal value.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a capital asset are capitalized. Computer software is recognized as an expense when incurred.

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives as follows:

Computer equipment	3 years straight-line method
Leasehold improvements	Life of lease straight-line method
Office equipment	5 years straight-line method
Web development	3 years straight-line method

For assets acquired or brought into use during the year, amortization is calculated for a full year.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. RELATED PARTY TRANSACTIONS

The LHIN Shared Services Office (the "LSSO") is a division of the Toronto Central LHIN and is subject to the same policies, guidelines and directives as the Toronto Central LHIN. The LSSO, on behalf of the LHINs is responsible for providing services to all LHINs. The full costs of providing these services are billed to all the LHINs on an equal basis. Any portion of the LSSO operating costs overpaid (or not paid) by the LHINs at the year end are recorded as a receivable (payable) to the LSSO. This is all done pursuant to the share service agreement the LSSO has with all the LHINs.

4. DEFERRED CAPITAL CONTRIBUTIONS

	2008	2007
	\$	\$
Balance, beginning of year	614,673	792,815
Capital contributions received during the year	20,637	21,593
Amortization for the year	(208,071)	(199,735)
Balance, end of year	427,239	614,673

5. CAPITAL ASSETS

	2008		2007
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office equipment	472,325	278,983	193,342
Computer equipment	4,593	3,062	1,531
Web development	24,289	5,667	18,622
Leasehold improvements	532,041	318,297	213,744
	1,033,248	606,009	427,239

6. BUDGET FIGURES

The budgets were approved by the Government of Ontario. The budget figures reported on the statement of financial activities reflect the initial budget at April 1, 2007. The figures have been reported for the purposes of these statements to comply with PSAB reporting requirements. During the year the government approves budget adjustments. The following reflects the adjustments for the LHIN during the year:

HSP FUNDING

The total HSP funding budget of approximately \$874 million is made up of the following:

Initial budget	860,547,900
Adjustment due to announcements made during the year	13,380,971
Total budget	873,928,871

LHIN OPERATIONS FUNDING

The total operating budget of approximately \$3.5 million is made up of the following:

Initial budget	3,437,611
Additional funding received during the year	90,000
Capital contributions made during the year	(20,637)
Total budget	3,506,974

7. TRANSFER PAYMENTS TO HSPs

The LHIN has authorization to allocate funding of \$873,928,871 to the various HSPs in its geographic area.

The LHIN approved transfer payments to the various sectors in 2008 as follows:

Operation of hospitals	570,813,842
Grants to compensate for municipal taxation - public hospitals	163,650
Long term care homes	144,000,259
Community care access centres	92,594,018
Community support services	13,140,513
Assisted living services in supportive housing	5,019,900
Community health centres	14,488,063
Community mental health addictions program	7,525,484
Community mental health programs	26,183,142
	873,928,871

The LHIN did not authorize any funding to various HSPs in 2007.



2008 | THE YEAR of
THE SENIOR

Despite being visually
impaired, 70 year
young Jeanie is a
lawn bowler with national
gold medals to
her credit. A win at this
year's nationals
will qualify her to
compete in the
2009 World Blind
Bowlers Championship in
Australia.



2008 | THE YEAR of
THE SENIOR

Mention a sing-
along, a bingo,
a group exercise session
or a crossword
puzzle and you'd best
get out of
Merle's way.
At 102 she's witty
and sharp and as
eager as ever to
stay involved.

8. GENERAL AND ADMINISTRATIVE EXPENSES

The statement of financial activities presents the expenses by function; the following classifies these same expenses by object:

	2008	2007
	\$	\$
Salaries and benefits	2,089,428	1,392,921
Occupancy	272,433	184,900
Amortization	208,071	199,735
Shared services	300,000	290,201
Public relations	10,703	152,278
Consulting services	175,209	598,595
Supplies	61,205	79,595
Board member per diems	77,250	63,846
Board member expenses	59,381	127,180
Mail, courier and telecommunications	58,497	44,808
Other	271,356	151,340
	3,583,533	3,285,399

9. a) E-HEALTH

The e-Health office of the Ministry of Health and Long-Term Care provided \$275,000 (2007 - \$151,000) to the LHIN. The LHIN had a contract and retained services of the Consolidated Health Information Services ("CHIS") during 2008 (Courtyard Group during 2007). CHIS provided services and deliverables as described in the contract. In return, the LHIN agreed to reimburse CHIS for expenses incurred during the performance of this work. The total amount of the expenses reimbursed during the duration of this contract was \$275,000.

b) AGING AT HOME

The MOHLTC provided the LHIN with \$187,000 (2007 - \$Nil) to develop plans for the three-year Aging at Home initiative. The LHIN incurred operating expenses totaling \$183,261 and has setup a repayable to the MOHLTC for the remaining balance. The Aging at Home expenses incurred during the year are as follows:

	2008	2007
	\$	\$
Salaries and benefits	65,669	-
Consulting services	75,000	-
Other	42,592	-
	183,261	-

c) EMERGENCY DEPARTMENT LEAD

The MOHLTC provided the LHIN with \$37,500 (2007 - \$Nil) to hire a LHIN representative surrounding emergency department planning. Dr. David Ng was selected and is provided a monthly stipend and expense allowance as prescribed by the MOHLTC.

10. FUNDING REPAYABLE TO THE MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

- a) The amount repayable to the MOHLTC related to current year activities is made up of the following components:

	Revenue	Expenses	Surplus
	\$	\$	\$
Transfer payments to HSPs	873,928,871	873,928,871	-
LHIN operations	3,715,045	3,583,533	131,512
E-Health	275,000	275,000	-
Aging at Home	187,000	183,261	3,739
Emergency Department Lead	37,500	37,500	-
	878,143,416	878,008,165	135,251

- b) The amount due to the MOHLTC at March 31 is made up as follows:

	2008	2007
	\$	\$
Due to MOHLTC, beginning of year	-	-
Funding repayable to the MOHLTC related to current year activities	135,251	-
Due to MOHLTC, end of year	135,251	-

11. PENSION AGREEMENTS

The LHIN makes contributions to the Hospitals of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 17 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2008 was \$150,006 (2007 - \$82,833) for current service costs and is included as an expense in the statement of financial activities.

12. GUARANTEES

The LHIN is subject to the provisions of the *Financial Administration Act*. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favour of third parties, except in accordance with the *Financial Administration Act* and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the *Local Health System Integration Act, 2006* and in accordance with s. 28 of the *Financial Administration Act*.

13. COMMITMENTS

The LHIN has funding commitments to hospitals associated with accountability agreements. Minimum commitments to hospitals relate to the next two years, based on the current accountability agreements and are as follows:

	\$
2009	571,456,275
2010	583,053,900

The LHIN also has commitments under various operating leases related to building and equipment. Lease renewals are likely. Minimum lease payments due in each of the next four years and thereafter are as follows:

	\$
2009	169,736
2010	166,802
2011	77,685
2012	-
2013 and thereafter	-

14. SEGMENT DISCLOSURES

The LHIN was required to adopt Section PS 2700 - Segment Disclosures, for the fiscal year beginning April 1, 2007. A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the statement of financial activities and within the related notes for both the prior and current year sufficiently discloses information of all appropriate segments and, therefore, no additional disclosure is required.

15. COMPARATIVE FIGURES

Certain of the prior year's comparative amounts have been reclassified to conform with the presentation adopted in the current year.

**Erie St. Clair
Local Health Integration Network**

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